

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

DATE: FEBRUARY 1, 2018

LOCATION: ROOM 2000 - CITY HALL

AGENDA

1. Introductions and Chair remarks (Chair) 7:00 p.m.
2. Consideration of January 11, 2018 meeting minutes (Chair) 7:05 p.m.
Action Requested: Review and Approve Minutes
3. Arts District Text Amendment Update (Heba ElGawish/Jeffrey Farner) 7:10 p.m.
Action Requested: Review and Provide Feedback
4. Partner Profile: Community Lodgings (Lynn Thomas) 7:25 p.m.
5. Discussion on Workforce Housing (Tamara Jovovic) 7:45 p.m.
Action Requested: Review and Provide Recommendation on Target Income and Rent Levels
6. Updates on Resolution 830 Community Engagement and Joint Worksession (Helen McIlvaine/Dan Brendel) 8:00 p.m.
7. Draft FY19 Long Range Planning Workplan Update (Tamara Jovovic) 8:10 p.m.
8. Route 1 South Housing Affordability Strategy Update (Tamara Jovovic) 8:20 p.m.
9. Alexandria Redevelopment and Housing Authority Update (Carter Flemming) 8:25 p.m.
10. Alexandria Housing Development Corporation Update (Jon Frederick) 8:30 p.m.
11. Information Items: 8:35 p.m.
Financial Report (Eric Keeler)
12. Staff Updates 8:40 p.m.
13. Announcements and Upcoming Housing Meetings (Staff) 8:50 p.m.

City Council – ARHA Joint Work Session

January 29, 2018, 8:30 pm, Alexandria Renew, 1800 Limerick Street

Resolution 830 Working Group Meeting (Module 2)

January 31, 2018, 8:30 am, Charles Houston Recreation Center, 901 Wythe Street (Doors open at 8:15 am)

ARHA Redevelopment Work Group Meeting

February 8, 2018, 5:30 pm, City Hall

Resolution 830 Working Group Meeting (Module 3)

February 21, 2018 8:30 am, tbd

14. Other 8:55 p.m.
Adjournment (Chair) 9:00 p.m.

AFFORDABLE HOUSING ADVISORY COMMITTEE MINUTES

City Hall Room 2000 | January 11, 2018

	Members Present	Members Absent	Staff
1	Dan Brendel		Tamara Jovovic, Housing Planner
2	Michael Butler (m)		Eric Keeler, Deputy Director
3	Katharine Dixon (m)		Jeffrey Farner, Deputy Director, P&Z
4	Carter Flemming (m)		Heba ElGawish, Planner, P&Z
5	Jon Frederick (m)		
6		Holly Hanisian (m) (excused)	
7	Bill Harris (m)		
8	Robyn Konkell, Chair		
9	Michelle Krockner (m)		
10	Jessica Lurz*		
11		Matthew McCarthy	
12	Helen McIlvaine*		
13	Michael Doyle		
14		Peter-Anthony Pappas (m) (excused)	
15	Mary Parker (m)		
16	Yasin Seddiq (m)		
17	Nechelle Terrell (m)		
18		Marian Wiggins (m) (excused)	
19	Paul Zurawski		
20	vacant		
21	vacant		
	Guests	Affiliation	
1	Betsy Faga	Church of the Resurrection	
2	Stephen Koenig	Planning Commission	

*non-voting

(m) – took minutes during fiscal year

The meeting was called to order at 7:00 pm. Nechelle Terrell agreed to take minutes.

1. Introductions and Chair Remarks (Robyn Konkell)

The Chair welcomed members and visitors, instructing members to make sure they sign-in on the sign-in sheet for the purpose of accurate attendance. It was also requested that members raise their hands when making a motion so the minute-taker could take accurate records of proceedings.

2. Consideration of December 7, 2017 Minutes (Chair)

Nechelle Terrell noted that she was marked as present on the minutes, however, she was excused from that meeting due to a work obligation. Katherine Dixon moved that the December minutes be accepted with the noted correction; Michael Doyle seconded the motion. The minutes were approved unanimously with one abstention from Nechelle Terrell.

3. Arts District Text Amendment Update (Heba ElGawish/Jeffrey Farner)

Jeffrey Farner updated the Committee on the proposed draft Arts District Text Amendment for the Old Town North (OTN) Small Area. P&Z staff explained that the text amendment would provide free density for ground-floor arts uses and bonus density for anchor arts uses. Both regulatory tools would have limited applicability reserved to a defined area in OTN and would not preclude the use of the bonus density/height program for affordable housing. Committee members expressed strong concern that the text amendment would dilute the one regulatory tool the city currently has to produce affordable housing—Sec. 7-700, and that it pitted two public goods against each other. Committee members also expressed fear that, if approved, the text amendment would invite other public interests to pursue similar regulatory incentives.

It was suggested that Planning consider other potential tools to encourage arts uses or limit the text amendment to retain existing arts uses in the Plan area. To address Committee concerns, P&Z staff indicated that the tool's scope could potentially be reduced and that it would not apply to Coordinated Development Districts. Because the text amendment is anticipated to go to Planning Commission and City Council in March, P&Z staff offered to return to AHAC in February with any revisions. The Committee indicated that it would send a letter indicating its position to City Council.

4. Resolution 830 Community Engagement Update (Helen McIlvaine)

Helen McIlvaine reported that the first meeting for the Resolution 830 Community Engagement group was attended by a diverse range of stakeholders and members of the community. The meeting was facilitated by Rhae Parks of EJP. The next meeting is scheduled for January 31 at 8:30 a.m. Helen will share comments and themes from the meeting at AHAC's February meeting.

5. Alexandria Redevelopment and Housing Authority Update (Carter Flemming)

Carter Flemming reported that HUD has approved the tenant protection vouchers for residents of Ramsey Homes. The first building will be vacated on January 26. A tour of the deconstructed building will be held in February. ARHA has a relocation coordinator to assist with residents in relocation efforts. ARHA will close on the financing on March 1.

ARHA's Annual Santa's Winter Wonderland was held on Wednesday, December 20 with about 800 kids in attendance.

Helen informed the committee that plans are moving forward on the Andrew Adkins Redevelopment project and staff will have more to report in the coming months.

6. Joint City-Schools Facility Investment Task Force Update (Dan Brendel)

Dan Brendel provided a brief update on the Task Force and noted the Task Force's recommendation for a Joint Facilities Master Plan to be developed and for co-location to be considered as part of each facility's early planning process. A worksession with City Council and School Board will be held on the Task Force's second deliverable on January 30. The first deliverable focused on prioritizing existing projects within the Facilities Capital Improvement Plan.

7. Route 1 South Housing Affordability Strategy Update (Tamara Jovovic)

The Route 1 South Housing Affordability Strategy officially kicked off. The first neighborhood "pop up" was held on January 6 and allowed stakeholders to ask questions and share their insights. This effort is focused on maintaining the diversity and affordability of housing options along Route 1 South with an emphasis on two existing multi-family properties: the Heritage at Old Town and Olde Towne West III. More pop-ups are scheduled for January and a community meeting is scheduled for February.

8. Alexandria Housing Development Corporation Update (Jon Frederick)

Jon Frederick reported that the renovation of Lacy Court apartments will start in March. Nearly all tenants of the Nelson building have moved out. There is a relocation coordinator on site. Tenants who are over-income will receive \$5,200 for moving expenses and relocation assistance. When the City provided a loan to preserve the property as affordable in 2006, it was agreed that over-income residents would be replaced by attrition and/or when the property was refinanced with tax credits.

Jon reported that a lease has been signed with Howard Hughes for Carpenter's Shelter to lease the former Macy's building at Landmark Mall starting in May.

9. Information Items (Eric Keeler/Tamara Jovovic)

The FY 2018 Affordable Housing Development Funds Financial Report was distributed and reviewed. It was noted that City Council would act upon AHC's permanent loan request for the Resurrection project following Council's decision on the DSUP and rezoning applications.

Eric noted that staff have been scheduling meetings with all of the city's loan recipients to review each organization's portfolios and loan repayment plans. AHC's Jackson Crossing project made its first payment to the City. Staff have also met with Wesley and will be meeting with AHDC.

Tamara distributed the Housing Master Plan Progress Report. The document was reviewed and it was noted that St. James Plaza and Church of the Resurrection projects are now listed under Beauregard Committed Units on the report. One correction was made to the first quarter loan figures to reflect a loan that closed at the end of September.

10. Staff Updates

Helen noted that the ARHA Redevelopment Work Group had asked for AHAAC to provide guidance on the definition of workforce housing and its associated rents. There are several options:

1. Calculate rents based on the HUD-defined 80% AMI
2. Apply established, HUD-defined Fair Market Rents
3. Calculate rents based on a calculation of mathematical 80% AMI
4. Apply established, HUD-defined Small Area Fair Market Rents

Staff distributed a handout comparing the rents and showing current entry level salaries for various workforce occupations, including ACPS teachers, police officers, fire fighters, and librarians. Committee members were asked to review the information and reach a recommendation at the February meeting.

Katherine Dixon was asked to give a report on Rebuilding Together Alexandria's work on the Alexandria Neighborhood Stabilization Program at an upcoming meeting.

Helen reported there is still some opposition from the community to the Church of the Resurrection project. A public hearing will be held on January 20 and AHAAC members are encouraged to attend to offer support.

Dan suggested the Committee consider forming subcommittees to address larger policy issues, including AHAAC's role. Michelle noted that the Committee should take a closer look at the need for and pros/cons of introducing inclusionary zoning in the city. The pending proposal to use bonus density for arts uses is a threat that makes consideration of this tool (proposed for future reconsideration in the Housing Master Plan) more urgent. Commissioner Stephen Koenig, who attended the meeting, was recognized and asked if he wished to comment. He encouraged Committee members to continue to think critically and creatively about different tools to promote affordable housing.

The meeting adjourned at 8:59 pm.

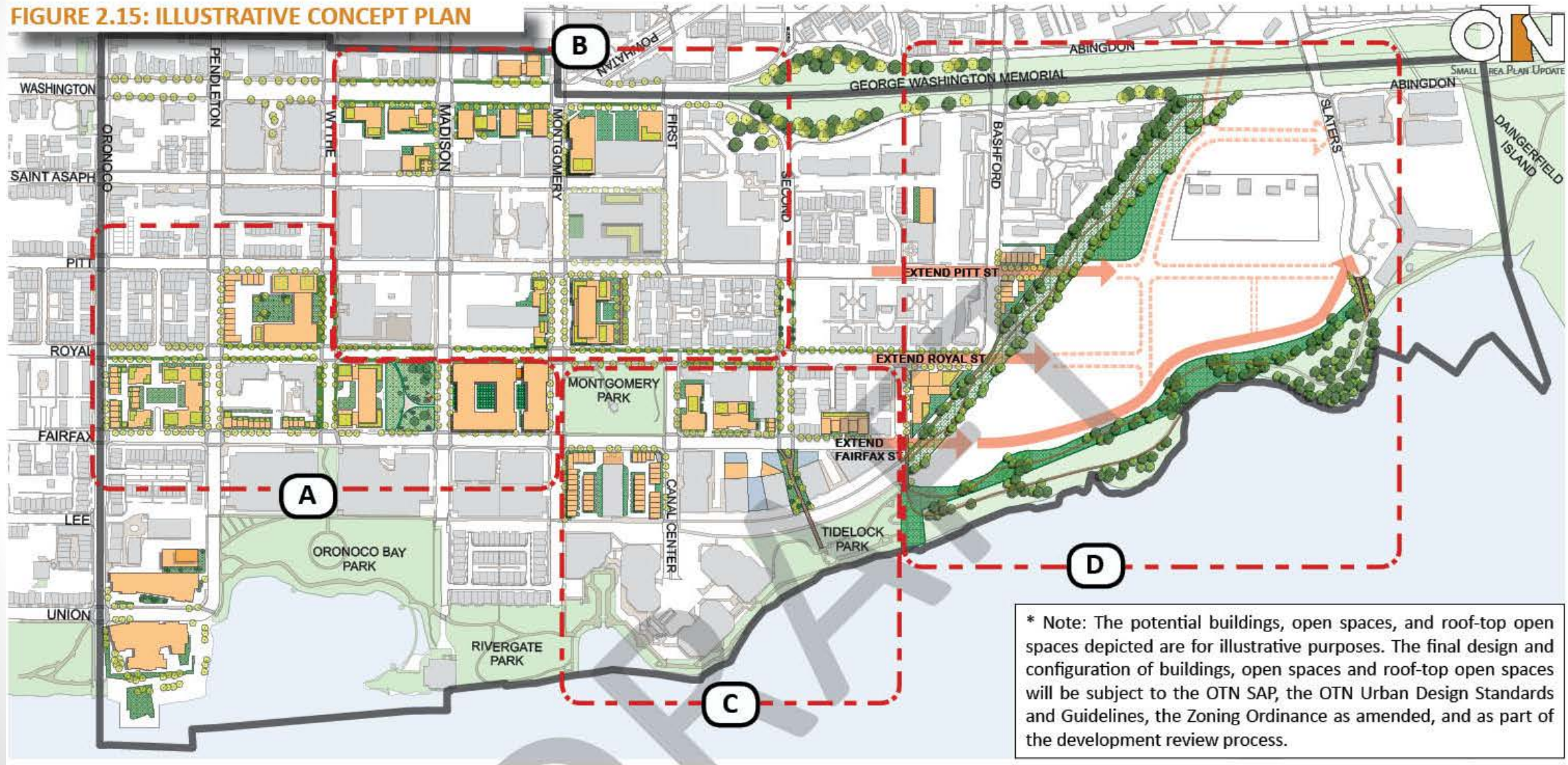


OLD TOWN NORTH SMALL AREA PLAN ARTS AND CULTURAL DISTRICT ZONING TEXT AMENDMENT

THE ALEXANDRIA HOUSING AFFORDABILITY
ADVISORY COMMITTEE

Old Town North Small Area Plan

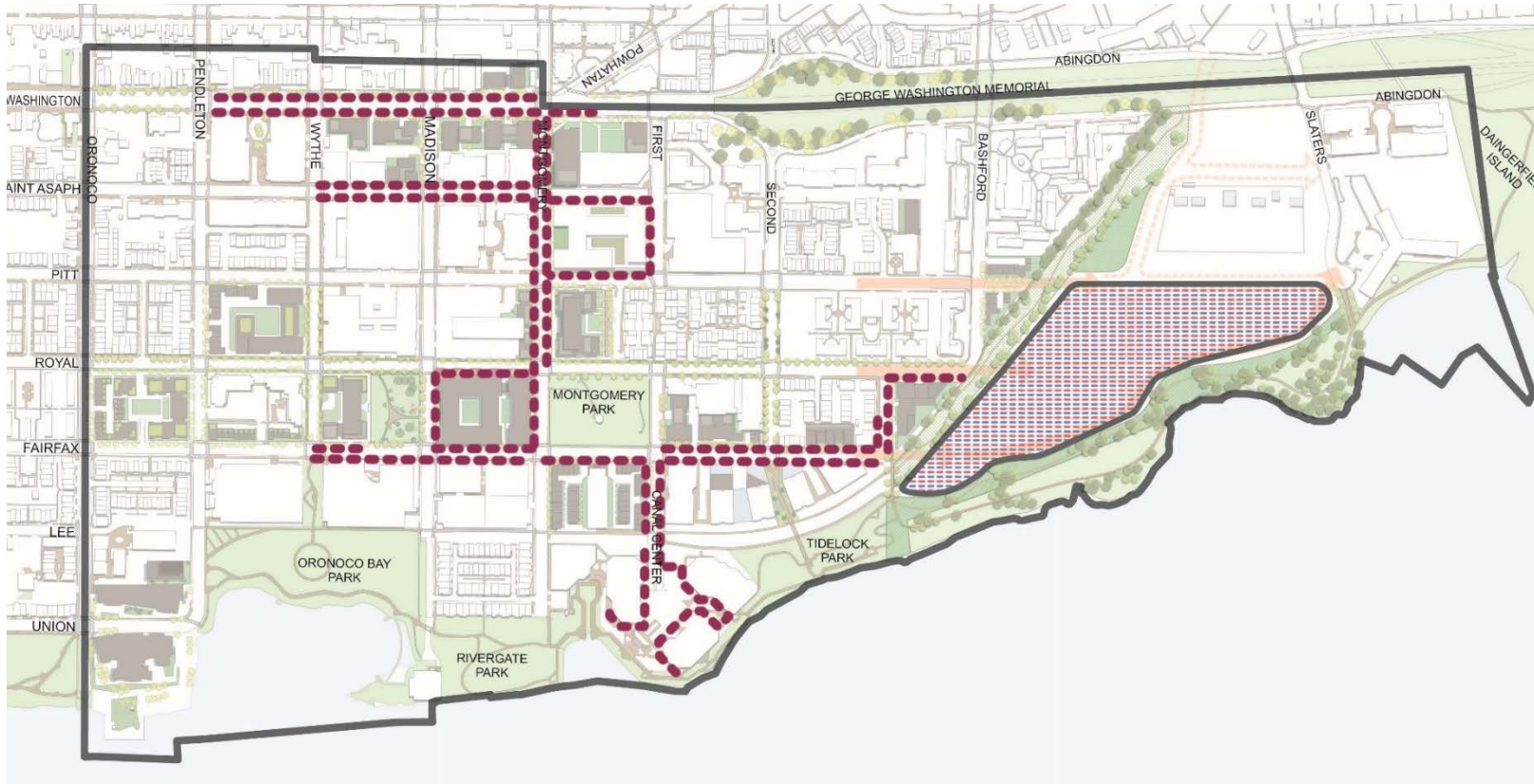
FIGURE 2.15: ILLUSTRATIVE CONCEPT PLAN



Old Town North– Arts District Text Amendment

Purpose:

- Allowance for incentives to retain and attract arts and cultural uses in Old Town North through the creation of an Arts and Cultural District as authorized by Virginia Code 15.2-1129.1. The use of these incentives will be limited to properties located along the frontages identified in the Old Town North Small Area Plan.





Old Town North– Arts District Text Amendment

Tier 1: Incentives for Ground Floor Arts and Cultural Uses

For the frontages within the Old Town North Arts and Cultural Corridors, the floor area for ground floor arts and cultural uses may be excluded from the maximum floor area ratio permitted for the site. Subject to the following:

1. Arts and Cultural uses will be limited to the ground floor of the building frontages and limited to a maximum amount of 15,000 sf for each redevelopment block.
2. Limited to organizations, businesses and/or individuals operating uses such as studios, galleries, or other venues that are related to cultural, visual and performing arts, design, handcrafted products, media, and art supply.
3. A covenant requiring the space be used for Arts and Cultural uses for a minimum period of 10 years.



Old Town North– Arts District Text Amendment

Tier 2: Incentives for Arts and Cultural Anchors

For the frontages within the Old Town North Arts and Cultural Corridors, additional floor area may be increased by a maximum of 30 percent above the maximum floor area ratio permitted by the zone for the site for the provision of an Arts and/or Cultural Anchor. Subject to the following:

1. Limited to visual or performing arts or cultural venue that is accessible to the public.
2. Performances/activities open to the public for a minimum of 150 days within the calendar year.
3. Minimum contiguous size of 5,000 sf.
4. Provide an easement at no cost to the Arts and Cultural operator of the space with a covenant for a minimum period of 30 years.
5. Height may not be increased by more than 25 feet beyond the height otherwise permitted by the zone for the site, excluding buildings located in maximum allowable height of 50 feet or less.
6. The design of the space should be flexible to accommodate a variety of uses.
7. Limit the total additional floor area for Arts and Cultural uses resulting from the Tier 2 incentive within the Old Town North Small Area



Considerations from January 11 Meeting

1. Exclude Coordinated Development District (CDD) sites from the Tier 2 incentive.
2. Prioritize affordable housing for artists in development sites that utilize the Tier 2 incentive for the provision of Arts and Cultural Anchor space.
3. Cost equivalency – Affordable Housing and Arts Uses
4. Reduce floor area for Arts and Cultural space within Old Town North achieved through Tier II incentive from 250,000 SF to 50,000 SF as a trial phase.



Old Town North– Arts District Text Amendment

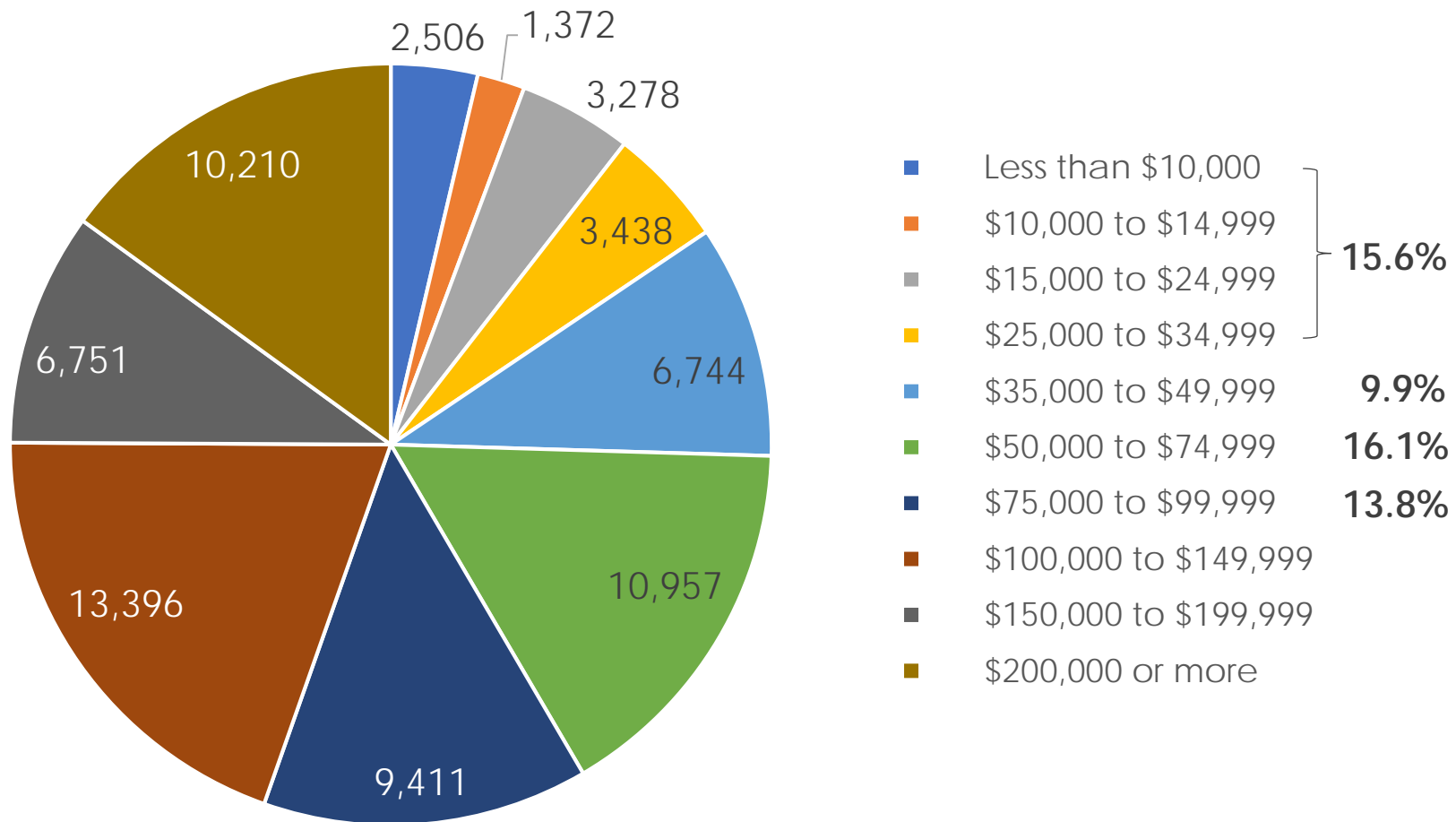
Next Steps:

March 6 – Planning Commission Meeting

March 17 - City Council Public Hearing

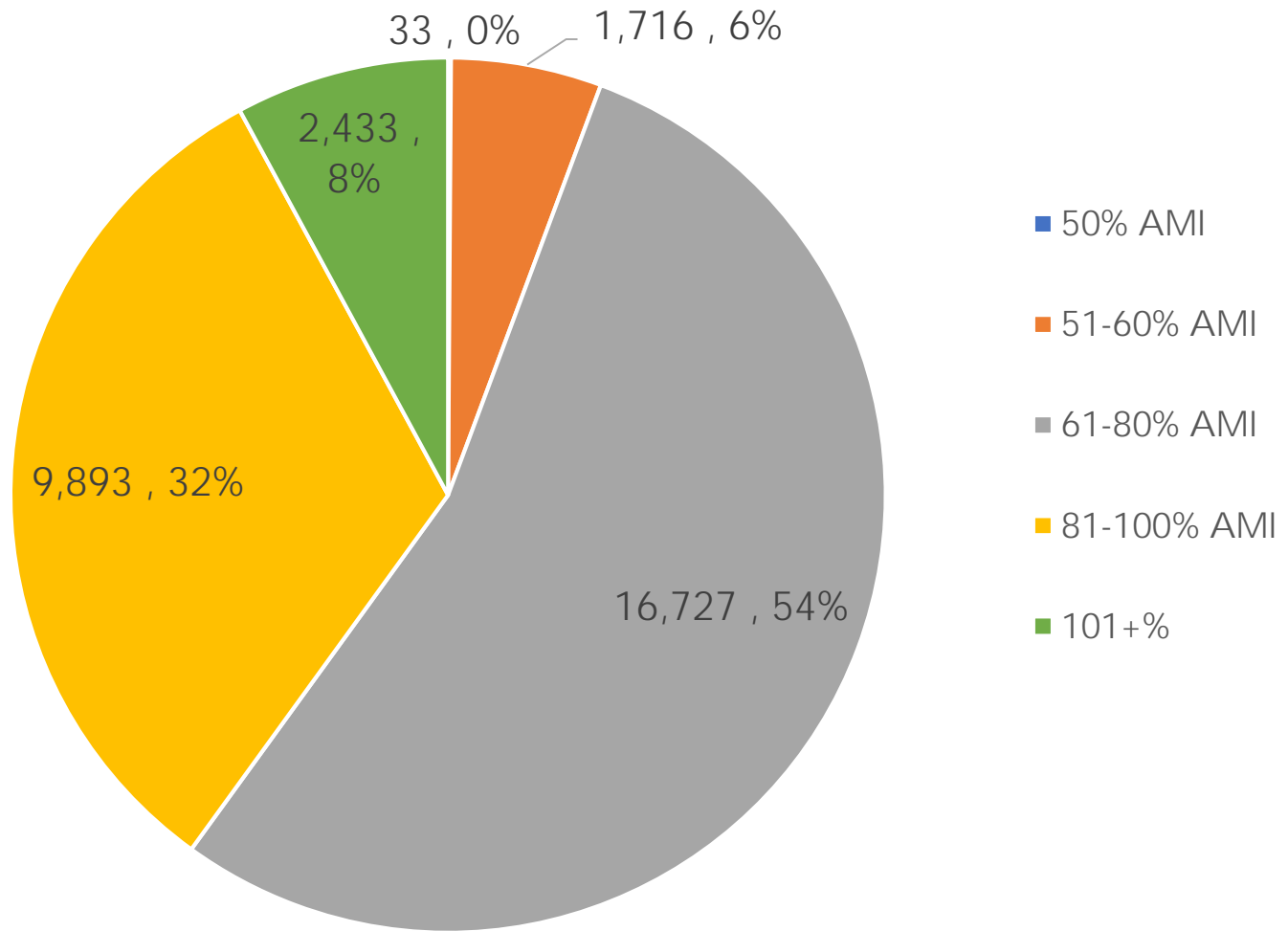
WORKFORCE HOUSING – BACKGROUND SLIDES

Household Income and Benefits in Alexandria



Source: ACS 2012-2016 5-Year Estimates

Apartment Survey 2017 by Level of Affordability



Source: 2017 Point-in-time survey of apartment properties with 10 or more units, City of Alexandria

2017 %AMI	1 Person	2 People	3 People	4 People	5 People	6 People	Source
20%	\$ 15,460	\$ 17,660	\$ 19,860	\$ 22,060	\$ 23,840	\$ 25,600	Calculated: 20% of 100%
30%	\$ 23,200	\$ 26,500	\$ 29,800	\$ 33,100	\$ 35,750	\$ 38,400	HUD FY17 Income Limits
40%	\$ 30,920	\$ 35,320	\$ 39,720	\$ 44,120	\$ 47,680	\$ 51,200	Calculated: 40% of 100%
50%	\$ 38,650	\$ 44,150	\$ 49,650	\$ 55,150	\$ 59,600	\$ 64,000	HUD FY17 Income Limits
55%	\$ 42,515	\$ 48,565	\$ 54,615	\$ 60,665	\$ 65,560	\$ 70,400	Calculated: 55% of 100%
60%	\$ 46,380	\$ 52,980	\$ 59,580	\$ 66,180	\$ 71,520	\$ 76,800	MF Tax Subsidy Project Income Limits
65%	\$ 50,245	\$ 57,395	\$ 64,545	\$ 71,695	\$ 77,480	\$ 83,200	Calculated: 65% of 100%
75%	\$ 57,975	\$ 66,225	\$ 74,475	\$ 82,725	\$ 89,400	\$ 96,000	Calculated: 75% of 100%
HUD 80%	\$ 52,550	\$ 60,050	\$ 67,550	\$ 75,050	\$ 81,100	\$ 87,100	HUD FY17 Income Limits
Fair Market Rent (working estimate)	\$ 57,600	\$ 59,060	\$ 69,840	\$ 80,920	\$ 103,100	\$ 114,200	Calculated: based on published rents and methodology used to calculate 20% rents.
Math 80%	\$ 61,840	\$ 70,640	\$ 79,440	\$ 88,240	\$ 95,360	\$ 102,400	Calculated: 80% of 100%
FY17 Small Area Fair Market Rent (working estimate)	\$ 67,600	\$ 69,200	\$ 81,600	\$ 94,200	\$ 120,200	\$ 133,600	Calculated: based on published rents and methodology used to calculate 20% rents.
90%	\$ 69,570	\$ 79,470	\$ 89,370	\$ 99,270	\$ 107,280	\$ 115,200	Calculated: 90% of 100%
100%	\$ 77,300	\$ 88,300	\$ 99,300	\$ 110,300	\$ 119,200	\$ 128,000	Calculated: 2*50% (HUD FY17 Income Limits)
120%	\$ 92,760	\$ 105,960	\$ 119,160	\$ 132,360	\$ 143,040	\$ 153,600	Calculated: 120% of 100%
%AMI	Studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Source	
20%	\$ 387	\$ 414	\$ 497	\$ 574	\$ 640	Calculated	
30%	\$ 580	\$ 621	\$ 745	\$ 861	\$ 960	Calculated	
40%	\$ 773	\$ 828	\$ 993	\$ 1,147	\$ 1,280	VHDA Max LIHTC Gross Rents	
50%	\$ 966	\$ 1,035	\$ 1,241	\$ 1,434	\$ 1,600	VHDA Max LIHTC Gross Rents	
60%	\$ 1,159	\$ 1,242	\$ 1,489	\$ 1,721	\$ 1,920	VHDA Max LIHTC Gross Rents	
HUD 80%	\$ 1,314	\$ 1,501	\$ 1,689	\$ 1,876	\$ 2,028	Calculated	
Fair Market Rent	\$ 1,440	\$ 1,513	\$ 1,746	\$ 2,300	\$ 2,855	FY 2017 HUD Fair Market Rent	
Math 80%	\$ 1,546	\$ 1,656	\$ 1,986	\$ 2,295	\$ 2,560	Calculated	
FY17 Small Area Fair Market Rent	\$ 1,690	\$ 1,770	\$ 2,040	\$ 2,670	\$ 3,340	FY2017 Hypothetical Small Area FMRs	
100%	\$ 1,933	\$ 2,070	\$ 2,483	\$ 2,869	\$ 3,200	Calculated	
FY18 Small Area Fair Market Rent*	\$ 2,030	\$ 2,110	\$ 2,420	\$ 3,180	\$ 3,920	FY2018 Advisory Small Area FMRs	

*The FY18 SAFMR is included because it is substantially higher (approx 25%) than the FY17 SAFMR.

2017-2018 ACPS Salary Scales-Bachelors			
Step (1-23)*	196 days** (~ 9 months)	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
1	\$47,242	\$1,181	HUD 80% AMI (\$1,314)
5	\$54,733	\$1,368	fair market rent (\$1,440)
2017-2018 ACPS Salary Scales-Masters			
Step (1-24)*	196 days** (~ 9 months)	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
1	\$54,188	\$1,355	fair market rent (\$1,440)
5	\$62,024	\$1,551	FY17 small area fair market rent (\$1,690), but not for FY18 SAFMR (\$2,030)

2017-2018 Alexandria Police Officer						
Level	Beginning salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...	Salary ceiling	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Level 1	\$47,863	\$1,197	HUD 80% AMI (\$1,314)	\$82,884	\$2,072	would not qualify

2017-2018 Alexandria Firefighter						
Level	Beginning salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...	Beginning salary (upon completion of recruit school & paramedic internship)	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Level 1	\$46,947	\$1,174	HUD 80% AMI (\$1,314)	\$54,341	\$1,359	fair market rent (\$1,440)

2017-2018 Alexandria Librarian						
Level	Min salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...	Max salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Level 1	\$46,759	\$1,169	HUD 80% AMI (\$1,314)	\$51,551	\$1,289	HUD 80% AMI (\$1,314)

Other sample occupations (Source: National Housing Conference--Paycheck-to-Paycheck Calculator)

Occupation	Median Regional Income	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Nurse (LPN)	\$ 50,753	\$ 1,269	HUD 80% AMI (\$1,314)
Hotel Front Desk Manager	\$ 53,113	\$ 1,328	fair market rent (\$1,440)
Plumber	\$ 58,195	\$ 1,455	mathematical 80% AMI (\$1,546)
Carpenter	\$ 58,133	\$ 1,453	mathematical 80% AMI (\$1,546)

FY 2018 Affordable Housing Development Funds Financial Report | January 29, 2018

Balance Remaining: \$0

Revenues

	2017						2018						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
Developer Contributions Received	\$0	\$186,398	\$0	\$316,236	\$65,455	\$571,429	\$428,571	\$0	\$0	\$0	\$0	\$0	\$1,568,088
Multifamily Loan Repayments	\$0	\$0	\$0	\$0	\$173,699	\$3,644	\$0	\$0	\$0	\$0	\$0	\$0	\$177,343
New Revenue Allocated by City Council	\$5,156,917	\$0	\$0	\$0	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0	\$0	\$5,756,917
Total	\$5,156,917	\$186,398	\$0	\$316,236	\$239,154	\$575,073	\$1,028,571	\$0	\$0	\$0	\$0	\$0	\$7,502,348

Commitments & Reservations

Fund / Project	Carryover	July	August	September	October	November	December	January	February	March	April	May	June	2018 Total
Housing Trust Fund (HTF)														
Rebuilding Together Alexandria (RTA)	\$0	\$50,000	\$0	\$0	-\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pilot Rental Assistance	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000
Braddock Small Area Plan Fund	\$834,080	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Housing Trust Fund (HTF) Total	\$1,084,080	\$50,000	\$0	\$0	-\$50,000	\$0	\$0	\$850,000	\$0	\$0	\$0	\$0	\$0	\$850,000
Housing Opportunity Fund (HOF)														
Wesley - Fairlington Presbyterian Church	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARHA - Set Aside	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARHA - Ramsey Homes	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AHDC - Operating	\$300,000	-\$75,000	\$0	\$0	-\$75,000	\$0	-\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	-\$225,000
AHDC - King & Beauregard	\$5,150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AHDC - Carpenter's Shelter	\$6,600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AHC - Church of the Resurrection	\$40,165	\$0	\$0	\$0	\$0	\$0	\$0	\$8,600,000	\$0	\$0	\$0	\$0	\$0	\$8,600,000
Housing Opportunity Fund (HOF) Total	\$17,490,165	-\$75,000	\$0	\$0	-\$75,000	\$0	-\$75,000	\$8,600,000	\$0	\$0	\$0	\$0	\$0	\$8,375,000